

**HOISINGTON UNIFIED SCHOOL
DISTRICT NO. 431
Hoisington, Kansas**

Primary Government Financial Statements with
Independent Auditors' Report

For the Year Ended June 30, 2008

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Primary Government Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2008

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HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Primary Government Financial Statements with Independent Auditors' Report
For the Year Ended June 30, 2008

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

Board of Education
Hoisington Unified School District No. 431
Hoisington, KS 67544

We have audited the accompanying primary government financial statements of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of and for the year ended June 30, 2008 as listed in the table of contents. These financial statements are the responsibility of **Hoisington Unified School District No. 431, Hoisington, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

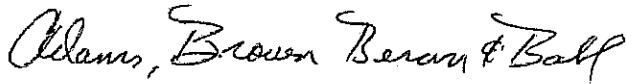
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$154,649.

As described more fully in Note 1, **Hoisington Unified School District No. 431, Hoisington, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of June 30, 2008, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Hoisington Unified School District No. 431, Hoisington, Kansas**, as of June 30, 2008, their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.



ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

October 2, 2008

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Fund	\$ (194,409)	-	4,760,860	4,772,926	(206,475)	35,243	(171,232)
Supplemental General Fund	62,332	-	1,381,814	1,391,452	52,694	-	52,694
Special Revenue Funds							
Contingency Reserve Fund	50,000	-	234,000	-	284,000	-	284,000
Capital Outlay Fund	629,188	-	381,783	101,405	909,566	29,703	939,269
Driver Training Fund	10,219	100	24,636	11,616	23,339	500	23,839
Professional Development Fund	3,744	-	33,757	28,916	8,585	760	9,345
Food Service Fund	52,156	73	427,672	378,867	101,034	441	101,475
Special Education Fund	75,409	-	806,571	779,064	102,916	-	102,916
Vocational Education Fund	11,927	-	194,719	156,046	50,600	-	50,600
Textbook Rental Fund	18,737	-	29,614	29,614	18,119	-	34,745
KPERS Special Retirement Contribution Fund	-	-	238,904	238,904	-	16,626	-
At Risk - 4 Year Fund	-	-	64,126	54,671	9,455	-	9,455
At Risk - K-12 Fund	39,845	-	286,000	291,834	44,011	-	44,011
Gifts and Grants Fund	4,488	-	11,699	11,699	-	805	805
Title I - 2007 Fund	-	-	7,215	11,703	-	-	-
Title I - 2008 Fund	-	-	136,000	137,104	(1,104)	18,255	17,151
Title II Fund	186	-	28,332	19,330	9,188	-	9,188
Title II-D Fund	-	-	1,555	327	1,228	-	1,228
Title IV - Drug Free Fund	-	-	3,245	3,245	-	-	-
Title V Fund	-	-	1,068	567	501	-	501
Rural Low Income School Program Fund	-	-	25,380	25,380	-	-	-
Recreation Commission Fund	4	-	111,977	101,772	10,209	-	10,209
Recreation Commission Employee Benefit Fund	-	-	17,585	16,218	1,367	-	1,367
District Activity Funds - Gate Receipts	450	-	42,303	41,773	980	-	980
Capital Project Fund	343,014	-	14,824	3,524	354,314	-	354,314
Capital Projects Fund	-	-	-	-	-	-	-
Bond and Interest Fund	962,699	-	982,158	896,872	1,047,985	-	1,047,985
Nonexpendable Trust Fund	-	-	-	-	-	-	-
Scholarship Fund	127,000	-	9,036	9,036	127,000	9,584	136,584
Total Reporting Unit (Excluding Agency Funds)	\$ 2,196,989	173	10,266,215	9,513,865	2,949,512	111,917	3,061,429
							\$
				Certificates of Deposits			2,088,115
				Money Markets			1,178,518
				Savings Accounts			2,228
				Checking Accounts			(145,620)
				Cash on Hand			100
				Total Cash			3,123,341
				Agency Funds per Statement 7			(61,912)
				Total Reporting Unit Excluding Agency Funds			\$ 3,061,429

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2008

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General Fund	\$ 4,782,094	(48,114)	38,946	4,772,926	4,772,926	-
Supplemental General Fund	1,391,452	-	-	1,391,452	1,391,452	-
Special Revenue Funds						
Capital Outlay Fund	685,000	-	-	685,000	101,405	583,595
Driver Training Fund	34,665	-	-	34,665	11,616	23,049
Professional Development Fund	36,194	-	-	36,194	28,916	7,278
Food Service Fund	414,864	-	-	414,864	378,867	35,997
Special Education Fund	861,209	-	-	861,209	779,064	82,145
Vocational Education Fund	206,926	-	-	206,926	156,046	50,880
KPERS Special Retirement Contribution Fund	309,455	-	-	309,455	238,904	70,551
At Risk - 4 Year Fund	54,675	-	-	54,675	54,671	4
At Risk - K-12 Fund	353,897	-	-	353,897	291,834	62,063
Recreation Commission Fund	101,772	-	-	101,772	101,772	-
Recreation Commission Employee Benefit Fund	16,218	-	-	16,218	16,218	-
Debt Service Fund						
Bond and Interest Fund	896,872	-	-	896,872	896,872	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 548,639	609,875	561,860	48,015
Intergovernmental Revenue				
Mineral Severance Tax	10,740	18,683	10,900	7,783
Equalization Aid	3,695,879	3,540,110	3,613,843	(73,733)
Special Education Fund	441,236	553,246	525,811	27,435
State Aid	100	140	-	140 (a)
Other Local Sources				
Miscellaneous	29,526	38,806	-	38,806 (a)
Total Cash Receipts	<u>4,726,120</u>	<u>4,760,860</u>	<u>4,712,414</u>	<u>48,446</u>
Expenditures				
Instruction	1,357,538	917,217	1,057,720	140,503
Student Support Services	141,405	127,632	124,454	(3,178)
Instructional Support Services	205,795	265,248	241,971	(23,277)
General Administration	260,159	277,181	289,506	12,325
School Administration	351,008	345,038	371,379	26,341
Operation and Maintenance	677,290	692,612	815,372	122,760
Vehicle Operating Services	178,327	176,818	199,964	23,146
Operating Transfers	1,445,049	1,971,180	1,681,728	(289,452)
Adjustment to Comply with Legal Max	-	-	(48,114)	(48,114)
Legal General Fund Budget	<u>4,616,571</u>	<u>4,772,926</u>	<u>4,733,980</u>	<u>(38,946)</u>
(a) Adjustment for Qualifying Budget Credit	-	-	38,946	38,946
Total Expenditures	<u>4,616,571</u>	<u>4,772,926</u>	<u>4,772,926</u>	<u>-</u>
Receipts Over (Under) Expenditures	109,549	(12,066)		
Prior Year Encumbrances Voided	1,947	-		
Unencumbered Cash, July 1	<u>(305,905)</u>	<u>(194,409)</u>		
Unencumbered Cash, June 30	<u>\$ (194,409)</u>	<u>(206,475)</u>		
(a) Adjustment for Qualifying Budget Credit Miscellaneous Revenue and State Aid Over Amount Budgeted		<u>\$ 38,946</u>		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 829,758	774,563	678,559	96,004
Intergovernmental Revenue				
Equalization Aid	534,196	607,251	610,430	(3,179)
Total Cash Receipts	1,363,954	1,381,814	1,288,989	92,825
Expenditures				
Instruction	1,251,346	1,391,452	1,391,452	-
Receipts Over (Under) Expenditures	112,608	(9,638)		
Unencumbered Cash, July 1	(50,276)	62,332		
Unencumbered Cash, June 30	\$ 62,332	52,694		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Contingency Reserve Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfer In	\$ 50,000	234,000
Unencumbered Cash, July 1	-	50,000
Unencumbered Cash, June 30	\$ 50,000	284,000

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Interest on Idle Funds	\$ 45,213	72,768	-	72,768
Reimbursed Expenditures	4,712	89,088	-	89,088
Transfer In	53,282	219,927	100,000	119,927
Total Cash Receipts	<u>103,207</u>	<u>381,783</u>	<u>100,000</u>	<u>281,783</u>
Expenditures				
Instruction	-	-	25,000	25,000
Contract Services	7,100	101,405	400,000	298,595
Operations & Maintenance	-	-	200,000	200,000
Transportation	-	-	60,000	60,000
Facility Acquisition and Construction	285	-	-	-
Total Expenditures	<u>7,385</u>	<u>101,405</u>	<u>685,000</u>	<u>583,595</u>
Receipts Over (Under) Expenditures	95,822	280,378		
Unencumbered Cash, July 1	<u>533,366</u>	<u>629,188</u>		
Unencumbered Cash, June 30	\$ <u>629,188</u>	<u>909,566</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 4,230	5,280	4,536	744
Other Local Sources				
Fees	3,700	4,300	-	4,300
Operating Transfers	30,000	15,056	30,000	(14,944)
Total Cash Receipts	37,930	24,636	34,536	(9,900)
Expenditures				
Instruction	24,951	10,426	27,415	16,989
Vehicle Oper., Maint. Serv.	2,760	1,190	7,250	6,060
Total Expenditures	27,711	11,616	34,665	23,049
Receipts Over (Under) Expenditures	10,219	13,020		
Prior Year Encumbrances Voided	-	100		
Unencumbered Cash, July 1	-	10,219		
Unencumbered Cash, June 30	\$ 10,219	23,339		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,624	3,757	2,500	1,257
Other Local Sources				
Operating Transfers	15,000	30,000	15,000	15,000
Total Cash Receipts	16,624	33,757	17,500	16,257
Expenditures				
Instructional Support Services	12,880	28,916	36,194	7,278
Receipts Over (Under) Expenditures	3,744	4,841		
Unencumbered Cash, July 1	-	3,744		
Unencumbered Cash, June 30	\$ 3,744	8,585		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Federal Aid	\$ 158,515	142,099	137,145	4,954
State Aid	3,873	18,065	3,767	14,298
Other Local Sources				
Lunch Receipts - Students	152,061	149,427	106,496	42,931
Miscellaneous	2	81	-	81
Operating Transfers	100,000	118,000	128,000	(10,000)
Total Cash Receipts	<u>414,451</u>	<u>427,672</u>	<u>375,408</u>	<u>52,264</u>
Expenditures				
Operations & Maintenance	18,945	18,703	25,500	6,797
Food Service Operation	344,110	360,164	389,364	29,200
Total Expenditures	<u>363,055</u>	<u>378,867</u>	<u>414,864</u>	<u>35,997</u>
Receipts Over (Under) Expenditures	51,396	48,805		
Prior Year Encumbrances Voided	63	73		
Unencumbered Cash, July 1	<u>697</u>	<u>52,156</u>		
Unencumbered Cash, June 30	\$ <u>52,156</u>	<u>101,034</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Interest Income	\$ 22,047	-	-	-
Operating Transfers	730,715	806,571	750,000	56,571
Total Cash Receipts	752,762	806,571	750,000	56,571
Expenditures				
Instructional Support Services	623,767	748,462	804,549	56,087
Vehicle Operating Services	30,479	30,602	56,660	26,058
Total Expenditures	654,246	779,064	861,209	82,145
Receipts Over (Under) Expenditures	98,516	27,507		
Unencumbered Cash, July 1	(23,107)	75,409		
Unencumbered Cash, June 30	\$ 75,409	102,916		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Perkins Grant	\$ -	7,219	-	7,219
Operating Transfers	198,000	187,500	195,000	(7,500)
Total Cash Receipts	198,000	194,719	195,000	(281)
Expenditures				
Instruction	186,073	156,046	206,926	50,880
Receipts Over (Under) Expenditures	11,927	38,673		
Unencumbered Cash, July 1	-	11,927		
Unencumbered Cash, June 30	\$ 11,927	50,600		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
 Hoisington, Kansas
 Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Book Rental Fees	\$ 30,851	28,996
Expenditures		
Textbooks	12,114	29,614
Receipts Over (Under) Expenditures	18,737	(618)
Unencumbered Cash, July 1	-	18,737
Unencumbered Cash, June 30	\$ 18,737	18,119

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
KPERS Special Retirement Contribution Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 234,435	238,904	309,455	(70,551)
Expenditures				
Employee Benefits	234,435	238,904	309,455	70,551
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

At Risk - 4 Year Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 45,000	64,126	54,675	(9,451)
Expenditures				
Instruction	45,000	54,671	54,675	4
Receipts Over (Under) Expenditures	-	9,455		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	9,455		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

At Risk - K-12 Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Other Local Sources				
Operating Transfers	\$ 223,052	296,000	314,053	(18,053)
Expenditures				
Instruction	183,207	291,834	353,897	62,063
Receipts Over (Under) Expenditures	39,845	4,166		
Unencumbered Cash, July 1	-	39,845		
Unencumbered Cash, June 30	\$ 39,845	44,011		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
 Hoisington, Kansas
 Gifts and Grants Fund

Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
State Aid	\$ -	1,250
Contributions and Donations	-	10,449
Total Cash Receipts	-	11,699
Expenditures		
Instruction	-	11,699
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title I - 2007 Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 135,000	7,215
Expenditures		
Instruction	130,512	11,703
Instruction - Carryover	9,399	-
Total Expenditures	139,911	11,703
Receipts Over (Under) Expenditures	(4,911)	(4,488)
Unencumbered Cash, July 1	9,399	4,488
Unencumbered Cash, June 30	\$ 4,488	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title I - 2008 Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ -	136,000
Expenditures		
Instruction	-	137,104
Receipts Over (Under) Expenditures	-	(1,104)
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	(1,104)

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title II Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year-Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 33,788	28,332
Other Local Sources		
Perkins Grant	4,918	-
Total Cash Receipts	<u>38,706</u>	<u>28,332</u>
Expenditures		
Instruction	<u>39,013</u>	<u>19,330</u>
Receipts Over (Under) Expenditures	(307)	9,002
Prior Year Encumbrances Voided	493	-
Unencumbered Cash, July 1	<u>-</u>	<u>186</u>
Unencumbered Cash, June 30	<u>\$ 186</u>	<u>9,188</u>

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title II - D Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ -	1,555
Expenditures		
Instruction	-	327
Receipts Over (Under) Expenditures	-	1,228
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	1,228

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title IV - Drug Free Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ -	3,245
Expenditures		
Instruction	-	3,245
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Title V Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ -	1,068
Expenditures		
Instruction	-	567
Receipts Over (Under) Expenditures	-	501
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	501

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Rural Low Income School Program Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
State Aid	\$ -	25,380
Expenditures		
Instruction	-	25,380
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	-

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Recreation Commission Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 100,328	111,977	104,494	7,483
Expenditures				
Community Service Operations	100,324	101,772	101,772	-
Receipts Over (Under) Expenditures	4	10,205		
Unencumbered Cash, July 1	-	4		
Unencumbered Cash, June 30	\$ 4	10,209		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Recreation Commission Employee Benefit Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 9,792	17,585	16,218	1,367
Expenditures				
Community Service Operations	9,792	16,218	16,218	-
Receipts Over (Under) Expenditures	-	1,367		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	1,367		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
District Activity Funds - Gate Receipts
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2008

	Beginning Cash Balance	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balance
Gate Receipts Athletics	\$ 450	42,303	41,773	980

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Capital Projects Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Interest on Idle Funds	\$ 11,287	14,824
Expenditures		
Capital Outlay	5,259	-
Activity Center	598	3,524
High School	63,354	-
Transfer to Bond and Interest Fund		
Total Expenditures	69,211	3,524
Receipts Over (Under) Expenditures	(57,924)	11,300
Unencumbered Cash, July 1	400,938	343,014
Unencumbered Cash, June 30	\$ 343,014	354,314

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues-				
Taxes	\$ 633,859	772,611	699,653	72,958
Intergovernmental Revenue -				
State Aid	243,435	209,547	251,124	(41,577)
Other Local Sources				
Transfer In from Capital Project Fund	63,354	-	-	-
Total Cash Receipts	<u>940,648</u>	<u>982,158</u>	<u>950,777</u>	<u>31,381</u>
Expenditures				
Principal	475,000	500,000	500,000	-
Interest	426,610	396,872	396,872	-
Total Expenditures	<u>901,610</u>	<u>896,872</u>	<u>896,872</u>	<u>-</u>
Receipts Over (Under) Expenditures	39,038	85,286		
Unencumbered Cash, July 1	<u>923,661</u>	<u>962,699</u>		
Unencumbered Cash, June 30	<u>\$ 962,699</u>	<u>1,047,985</u>		

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Scholarship Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Local Sources		
Interest Income	\$ 6,898	5,609
Scholarship Donations	1,550	3,427
Total Cash Receipts	8,448	9,036
Expenditures		
Scholarships	6,406	9,036
Receipts Over (Under) Expenditures	2,042	-
Unencumbered Cash, July 1	124,958	127,000
Unencumbered Cash, June 30	\$ 127,000	127,000

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
School Activity Funds - Student Organizations
Summary of Cash Receipts and Disbursements
For the Year Ended June 30, 2008

	Beginning Cash Balance	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balance
Student Organizations				
Cheerleaders	\$ 1,471	5,770	5,416	1,825
Class of 2006	1,193	8	1,201	-
Class of 2007	1,679	11	1,154	536
Class of 2008	2,360	17	101	2,276
Class of 2009	-	10,154	7,873	2,281
Class of 2010	209	8	-	217
Clearing	-	164	164	-
Danceline	626	3,091	2,960	757
FCCLA	640	8,185	6,362	2,463
GAL'S	18	3,519	3,457	80
Gift Account	306	125	-	431
H-Club	4,180	14,801	14,419	4,562
HFL	146	814	869	91
International	906	1,023	1,024	905
Lincoln	8,220	21,286	24,012	5,494
Middle School	3,900	15,617	14,688	4,829
Music-Band	995	5,285	5,850	430
Music-Vocal	3,593	1,858	1,691	3,760
National Honor Society	58	76	50	84
Pep Club	331	2,887	2,062	1,156
Roosevelt	6,493	19,367	13,062	12,798
Sr. High	1,500	1,402	1,393	1,509
Stuco	12,376	9,996	9,461	12,911
Video Production	33	296	111	218
Yearbook	2,652	13,694	14,047	2,299
Total Student Organizations	\$ 53,885	139,454	131,427	61,912

The notes to the financial statements are an integral part of this statement.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Notes to Financial Statements

June 30, 2008

1. Summary of Significant Accounting Policies

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Hoisington Unified School District No. 431, Hoisington, Kansas, is a municipal corporation governed by an elected board. The District receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources.

Hoisington Unified School District No. 431, Hoisington, Kansas, is the primary government as defined in GASB #14 and further amended by GASB #39. The School Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The following is a component unit of **Hoisington Unified School District No. 431, Hoisington, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District (as distinct from legal relationships).

Unified School District No. 431 Education Foundation

The Unified School District No. 431 Education Foundation is organized as a non-profit organization in the State of Kansas for the purpose of providing scholarship funds to students at **Hoisington Unified School District No. 431, Hoisington, Kansas**. Their financial statements are not included in this report. Contact the District Clerk for information on how to obtain their financial information.

B. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2008:

Governmental Type Funds

General Fund – reports as the primary fund of the District. The fund is used to account for all financial resources not reported in other funds.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specific purposes.

Debt Service Fund – to account for the accumulation of resources for and the payment of interest and principal on general long-term debt and the financing of special assessments which are general obligations of the District.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Notes to Financial Statements

June 30, 2008

B. Basis of Presentation – Fund Accounting (cont.)

Capital Project Fund – to account for the financial resources segregated for the acquisition of major capital facilities.

Fiduciary Fund

Student Activity Fund - an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

C. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120 a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

D. Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal, and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

E. Accounting for Capital Assets and Depreciation

The District does not maintain a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

F. Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2008

F. Budgetary Information (cont.)

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General, Special Education, and Professional Development Funds were amended.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and fiduciary funds, and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Gifts and Grants Fund, Title I-2007 Fund, Title I-2008 Fund, Title II Fund, Title II-D Fund, Title IV – Drug Free Fund, Title V Fund, Rural Low Income School Program Fund, and Gate Receipts.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

H. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash.

As of June 30, 2008, the District had no investments.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Notes to Financial Statements

June 30, 2008

H. Deposits and Investments (cont.)

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the County in which the District is located or in an adjoining County if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not use peak depository coverage. All deposits were legally secured at June 30, 2008.

At June 30, 2008, the District's carrying amount of deposits was \$3,123,341 and the bank balance was \$3,739,522. Of the bank balance, \$265,381 was covered by federal depository insurance and \$3,474,141 was collateralized with securities held by the pledging financial institutions agents in the District's name.

I. Property Tax Calendar

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1st are due one half by December 20th and one half by May 10th. Major property tax payments are received December through June and are recognized as revenue in the year received.

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

K. Defined Benefit Pension Plan

Plan Description - Hoisington Unified School District No. 431, Hoisington, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2008

K. Defined Benefit Pension Plan (cont.)

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 7.37% of covered payroll for the fiscal year ended June 30, 2008. These contributions requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all public school employees for the years ending June 30, 2008, 2007, and 2006, were \$220,815,154, \$192,425,626, and \$159,728,918, respectively, equal to the required contributions for each year.

L. Deferred Compensation Plan

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

M. Compensated Absences

The District's contracts with various employees permit the employees to accumulate various amounts of vacation time and sick leave. The contracts state that accumulated vacation time must be taken by the end of the contract date or the time will be lost.

The District is obligated to pay an employee \$80 per day for each accrued day above 50 days in accumulated sick leave when the individual departs from the District. An individual has the option of cashing out their accumulated days prior to leaving the District. This option has to be made between June 1st and July 1st of the year prior to the year the option is exercised. The District will pay out \$40,000 on a first come basis in September.

The District is obligated to pay a teacher \$40 per day up to 10 days for an individual that has accumulated more than 80 days in a year. This payment will be made by June 30th of each year.

The total potential liability for sick leave of the District at June 30, 2008 was \$85,000. This potential liability is recorded at Note 9.

N. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the District for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2008

2. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects, and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas Statutes. The District's operating transfers and statutory authority for June 30, 2008 were as follows:

From	To	Statute Authority	Amount
General	Capital Outlay	K.S.A. 72-8803	\$ 219,927
General	Driver Training	K.S.A. 72-6423	15,056
General	Food Service	K.S.A. 72-5119	118,000
General	Professional Development	K.S.A. 72-9609	30,000
General	Special Education	K.S.A. 72-6420	806,571
General	Vocational Education	K.S.A. 72-6421	187,500
General	At Risk 4 Year	K.S.A. 72-6414a	64,126
General	At Risk K-12	K.S.A. 72-6414a	296,000
General	Contingency Reserve	K.S.A. 72-6426	234,000
	Total		\$ 1,971,180

3. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Litigation

The District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

5. Risk Management - Claims and Judgments

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been able to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards (KASB), a public entity risk pool currently operating as a common risk management and insurance program. The District pays an annual premium to Kansas Association of School Boards for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management.

The District carries commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, umbrella, auto, fidelity bond coverage, and comprehensive collision insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2008, the financial statements do not include liabilities for anticipated costs.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2008

6. Grants and Shared Revenues

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

7. Comparative Data

Comparative total data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1 and Statement 2) has not been presented since their inclusion would make certain statements unduly complex and difficult to read.

8. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following two pages show the revenue as required by these Statutes.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

General Fund

Notes to Financial Statements

Note 8 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2008

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 609,875	561,860	48,015
Intergovernmental Revenue			
Mineral Severance Tax	18,683	10,900	7,783
Equalization Aid	3,539,717	3,613,843	(74,126)
Special Education Aid	553,246	525,811	27,435
State Aid	140	-	140 (a)
Other Local Sources			
Miscellaneous	38,806	-	38,806 (a)
Total Statutory Revenues	<u>4,760,467</u>	<u>4,712,414</u>	<u>48,053</u>
Expenditures			
Instruction	917,217	1,057,720	140,503
Student Support Services	127,632	124,454	(3,178)
Instructional Support Services	265,248	241,971	(23,277)
General Administration	277,181	289,506	12,325
School Administration	345,038	371,379	26,341
Operation and Maintenance	692,612	815,372	122,760
Vehicle Operating Services	176,818	199,964	23,146
Operating Transfers	1,971,180	1,681,728	(289,452)
Adjustment to Comply with Legal Max	-	(48,114)	(48,114)
Legal General Fund Budget	<u>4,772,926</u>	<u>4,733,980</u>	<u>(38,946)</u>
Adjustment for Qualifying Budget Credit (a)	-	38,946	38,946
Total Expenditures	<u>4,772,926</u>	<u>4,772,926</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(12,459)		
Modified Unencumbered Cash, July 1	<u>14,406</u>		
Modified Unencumbered Cash, June 30	\$ <u>1,947</u>		
(a) Adjustment for Qualifying Budget Credit			
Miscellaneous Revenue and State Aid			
Over Amount Budgeted	\$ <u>38,946</u>		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Supplemental General Fund

Notes to Financial Statements

Note 8 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2008

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Taxes	\$ 774,563	678,559	96,004
Intergovernmental Revenue			
Equalization Aid	<u>610,430</u>	<u>610,430</u>	<u>-</u>
Total Statutory Revenues	<u>1,384,993</u>	<u>1,288,989</u>	<u>96,004</u>
 Expenditures			
Instruction	<u>1,391,452</u>	<u>1,391,452</u>	<u>-</u>
 Statutory Revenues Over (Under) Expenditures	<u>(6,459)</u>		
 Modified Unencumbered Cash, July 1	<u>102,010</u>		
 Modified Unencumbered Cash, June 30	<u>\$ 95,551</u>		

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431
Hoisington, Kansas
Notes to Financial Statements
June 30, 2008

9. Long Term Debt

The District has the following types of Long Term Debt:

Lease Obligations

On July 17, 2008 the District entered into a Lease Agreement with Kansas Bank for \$1,671,960. Annual payments of \$111,464 will come due beginning in the 2008-2009 fiscal year. The Lease Agreement is for energy conservation measures as agreed to with TAC Americas, Inc. on May 21, 2008. Although the Kansas Cash Basis Act requires lease agreements to be annually renewable and/or subject to annual appropriation of funds, the provisions of the cash basis law and K.S.A. 79-2925, and amendments thereto, do not apply to any contract or lease-purchase agreement entered into for the financing of energy conservation measures. As such, this lease agreement is not subject to annual appropriation of funds.

Refunded Bonds

On April 15, 2005 the District issued \$7,260,000 in General Obligation Refunding Bonds. The proceeds from the sale of the Bonds were used to establish an escrow account for the annual payment of interest from September 1, 2005 through September 1, 2011 on bonds maturing on 2012 and thereafter, and to redeem on September 1, 2011, the principal of the District's outstanding General Obligation Bonds, Series 2001-A, maturing September 1, 2011, and thereafter (the "Refunded Bonds"). The Refunding Plan was undertaken in order to achieve interest cost savings.

According to the terms of this Refunding Plan, the Refunded Bonds will be called on their earliest optional redemption date and redeemed at such time, all in accordance with the resolution authorizing their issuance. The Refunded Bonds represent the entire callable portion of the District's General Obligation Bonds, Series 2001-A. All Refunded Bonds will be called at a price equal to 100% of the par value thereof, without premium. The District will continue to levy taxes to pay the interest and principal on the Series 2001-A issue for all bonds due through 2011.

Upon the payment in full of the interest on the Bonds to and including September 1, 2011 and the principal of the Refunded Bonds, all remaining money and Escrowed Securities in the Escrow Fund together with any interest thereon, shall be transferred to the District to be applied in accordance with the law.

Refunded Bonds

Series	Amount Outstanding Prior to Refunding	Amount to be Refunded	Maturity Dates to be Escrowed	Call Date	Call Price
2001-A	\$11,400,000	\$7,735,000	9/1/12-9/1/21	9/1/2011	100

General Obligation Bonds

The Changes in Long Term Debt and the Maturity of Long Term Debt is disclosed on pages 43 and 44.

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Notes to Financial Statements

Note 9 - Statement of Changes in Long Term Debt

For the Year Ended June 30, 2008

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	Variable - 4.0% to 6.1%	April 15, 2001	\$ 12,058,106	September 1, 2021	\$ 2,750,000	-	(500,000)	(500,000)	2,250,000	110,138
Series 2005-A	Variable - 3% to 4.3%	April 15, 2005	7,260,000	September 1, 2021	7,185,000	-	-	-	7,185,000	286,735
Total Contractual Indebtedness			19,318,106		9,935,000	-	(500,000)	(500,000)	9,435,000	396,873
Amount to be Provided for:										
Compensated Absences	N/A	N/A	N/A	N/A	94,000	-	-	(9,000)	85,000	-
Total Long Term Debt			\$ 38,636,212		\$ 10,029,000	-	(500,000)	(509,000)	9,520,000	396,873

HOISINGTON UNIFIED SCHOOL DISTRICT NO. 431

Hoisington, Kansas

Notes to Financial Statements

Note 9 - Schedule of Maturity of Long Term Debt

For the Year Ended June 30, 2008

Years

	2009	2010	2011	2012	2013	2014 - 2018	2019 - 2023	Total
Principal								
General Obligation Bonds - Series 2001	\$ 525,000	550,000	575,000	600,000	605,000	3,360,000	3,220,000	2,250,000
General Obligation Bonds - Series 2005-A	-	-	-	-	-	-	-	7,185,000
Total Principal	525,000	550,000	575,000	600,000	605,000	3,360,000	3,220,000	9,435,000
Interest								
General Obligation Bonds - Series 2001	84,125	61,950	38,319	13,050	-	-	-	197,444
General Obligation Bonds - Series 2005-A	286,735	286,735	286,735	286,735	275,845	1,016,395	280,615	2,719,795
Total Interest	370,860	348,685	325,054	299,785	275,845	1,016,395	280,615	2,917,239
Total Principal and Interest	\$ 895,860	898,685	900,054	899,785	880,845	4,376,395	3,500,615	12,352,239